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C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000750

SIPDIS

FOR EUR/SCE AND DS/IP/EUR

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TAGS: [PREL](#) [PGOV](#) [KCRM](#) [ASEC](#) [HR](#) [DS](#) [IP](#) [EUR](#)
SUBJECT: SECOND HIGH-PROFILE MURDER IN THREE WEEKS ROCKS
CROATIAN POLITICS

REF: ZAGREB 704

Classified By: Rick Holtzapple, PolEcon Counselor, for reasons 1.4 (b) & (d).

11. (C) SUMMARY: Ivo Pukanic, a prominent and controversial magazine publisher, was killed in the evening of October 23, 2008, in what is widely believed to be a murder apparently linked to organized crime. The president convened the national security council, and in a rare move, included members of the opposition parties in the discussions. However, early press statements indicate that the government has few new ideas on how to tackle organized crime beyond the new anti-mafia laws that are already being drafted. Meanwhile, the second high-profile murder in less than a month with probable mob-connections (REFTEL), has left several local European officials wondering if Croatia's law enforcement and legal system needs more time to reform before Croatia is ready to enter the EU. END SUMMARY

EXPLOSION ROCKS ZAGREB

12. (U) At approximately 6:30PM in evening on 23 October 2008 a bomb exploded in a central Zagreb parking lot, killing the owner/publisher of Croatia's second largest news weekly "Nacional" as well as the magazine's director of marketing, Niko Franjic. Pukanic had been under police protection for several months after he self-reported to police an assassination attempt in April, 2008. According to a police spokesman the police protection largely ended, with the consent of Pukanic, in August, 2008. However, the "Nacional" Editorial Board has put out a communique that disavows that Pukanic had consented to cessation of the police protection, and claims that the MUP made the decision unilaterally. The police have begun an investigation of yesterday's killing, but at this point have not disclosed any leads or suspects.

LEADERS SHOCKED

13. (U) President Stjepan Mesic, who had a close personal relationship with Pukanic in the past, and Prime Minister Sanader were both taken aback by the second high-profile murder in less than three weeks. The president's office released a statement that the "criminal underworld has presented the law-enforcement institutions and the entire system of government with an unprecedented challenge." For his part, Sanader in a late night press conference stated that he would assign the country's most accomplished law-enforcement experts to the case. The leader of the main opposition party, Zoran Milanovic, made a late night call to Sanader, emphasizing the non-partisan nature of the problem and indicating that his Social Democratic Party would be willing to support the government in cracking down on organized crime and restoring security to Croatia. The president convened a national security council meeting on Oct. 24, and included members of the opposition in the discussions. The council chose not to invoke a formal state of emergency but indicated some "emergency measures" would be

enacted. However, it is unclear what types of security measures will be taken in the near future.

MEDIA SPECULATE ON CAUSE

14. (U) Pukanic has long been rumored to have ties to alleged mobsters and other unsavory businessmen. Local media have reported that much of the seed money used to start Nacional in 1995 had come from convicted mobster Hrvoje Petrac and controversial businessman/banker Nevan Barac. The relationship between Pukanic and Petrac seemed to be confirmed by the fact Nacional has published several pieces over the years that were sympathetic to Petrac's opinions, particularly regarding controversies surrounding shady business dealings between indicted general Vladimir Zagorec and Petrac. Most media outlets have described the death of Pukanic as mob assassination, and there are wide and disparate speculations as to the exact reason for his death. In addition to his past relationship with President Mesic, Pukanic was reputed to be well connected to a smorgasbord of Croatian elite, from other prominent journalists to the State Prosecutor Mladen Bajic.

COMMENT

15. (C) Regardless of the proximate cause of his murder, the occurrence of two brazen and high profile assassinations in downtown Zagreb has raised doubts among the public about whether the government can deal with these problems. It may also damage Croatia's attempts to show readiness to enter the EU. In the aftermath of the death of Pukanic, several EU member state ambassadors commented to the Ambassador that the string of organized crime related events gives pause to any judgment that Croatia will be ready to conclude EU membership

ZAGREB 00000750 002 OF 002

negotiations in 2009. Clearly, the increase in organized crime related violence has the government on its heels, and the government is struggling to find effective responses. As state prosecutor Bajic noted in an interview given before the latest killing, Croatian law enforcement has been hampered in fighting organized crime because these groups have infiltrated many law enforcement structures. Post will suggest septel some ways in which we can support the GoC in trying to address these challenges. END COMMENT
Bradtke